



South Central Idaho News

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA & TWIN FALLS COUNTIES

ECONOMIC TRENDS

The Twin Falls-Jerome Micropolitan Statistical Area continues to experience strong economic growth. The seasonally adjusted unemployment for April was 3.1 percent, up from 2.9 percent in March but below the 3.8 percent recorded in April 2005.

Economists maintain that a 4 percent unemployment rate is basically full employment. The Twin Falls-Jerome area has been experiencing full employment since July 2004. During this time the labor force has grown 13 percent. The area's economy has been able to maintain high employment levels and low unemployment rates so far in the new century. In fact the highest unemployment rate since January 2000 occurred in March 2002 at 4.8 percent. During the 76 months since the turn of the century, south central Idaho has experienced 36 months with an unemployment rate at 4 percent or below. Not bad when the state was struggling with massive layoffs in the technology sector and unemployment rates above 5 percent.

Nonfarm payroll jobs have also increased over this period. Since January 2000, nearly 7,000 new jobs have been added in the Twin Falls-Jerome area, a 22 percent growth rate. During the same time, the state experienced a growth rate of 19 percent. Both the area and the state experienced some job losses during the slowdown, but overall each has been able to rebound nicely. The only industry that shows a job loss since January 2000 is utilities with fewer than 10. The largest job growth was in professional and business services at over 1,800. Much of this growth can be attributed to Dell and other area customer service centers.

Nonfarm payroll jobs in April totaled 39,350, an increased of 6.6 percent or 2,420 jobs year-over-year. Retail trade showed the largest numeric gain during the year with 440 new jobs. Population

South Central Idaho Table 1: Twin Falls-Jerome MicSA Labor Force & Employment—Twin Falls and Jerome counties

				% Change From	
	Apr 2006*	Mar 2006	Apr 2005	Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	54,080	54,240	47,550	-0.3	13.7
Unemployment	1,660	1,580	1,830	5.1	-9.3
% of Labor Force Unemployed	3.1	2.9	3.8		
Total Employment	52,420	52,660	45,720	-0.5	14.7
<i>Unadjusted</i>					
Civilian Labor Force	53,590	53,570	47,340	0.0	13.2
Unemployment	1,630	1,810	1,800	-9.9	-9.4
% of Labor Force Unemployed	3.0	3.4	3.8		
Total Employment	51,960	51,760	45,540	0.4	14.1
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	39,350	38,990	36,930	0.9	6.6
Goods-Providing Industries	6,740	6,660	6,100	1.2	10.5
Natural Resources & Mining	40	40	40	0.0	0.0
Construction	2,280	2,170	1,890	5.1	20.6
Manufacturing	4,420	4,450	4,170	-0.7	6.0
Food Manufacturing	2,440	2,490	2,410	-2.0	1.2
Other Manufacturing	1,980	1,960	1,790	1.0	10.6
Service-Providing Industries	32,610	32,330	30,830	0.9	5.8
Trade, Transportation & Utilities	9,950	9,940	9,090	0.1	9.5
Wholesale Trade	1,910	1,870	1,770	2.1	7.9
Retail Trade	5,740	5,710	5,300	0.5	8.3
Utilities	160	150	160	6.7	0.0
Transportation & Warehousing	2,140	2,210	1,860	-3.2	15.1
Information	610	610	600	0.0	1.7
Financial Activities	1,770	1,740	1,630	1.7	8.6
Professional & Business Services	5,020	5,010	4,790	0.2	4.8
Educational & Health Services	3,450	3,450	3,200	0.0	7.8
Leisure & Hospitality	3,180	2,950	3,070	7.8	3.6
Other Services	1,370	1,370	1,360	0.0	0.7
Government Education	3,400	3,400	3,390	0.0	0.3
Government Administration	3,860	3,860	3,700	0.0	4.3

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

growth and a healthy economy have encouraged the expansion of retail outlets. Also, spring brings out the shopper in everyone, boosting activity at home improvement and garden stores as well as general merchandise stores for the latest fashions. Construction shows no sign of slowing down with the largest year-over-year percentage increase, 20.6 percent. Both commercial and residential construction are going strong, and the growth has resulted in a shortage of workers. In an effort to address this issue, the College of Southern Idaho is offering its first college-level Residential Construction Program. The program will give students hands-on experience in construction skills such as framing, finish carpentry, roofing, masonry, electrical and plumbing. Students can take the construction program for either one or two years. Second-year students will operate in more of a supervisory role. The school hopes the program will help fill a big labor need in the area.

AREA DEVELOPMENTS

Mini-Cassia

May brought good news and not so good news. First the not so good news.

- Kraft Foods Inc. announced on May 16 that the food manufacturing plant in Rupert would be closed in January 2007. The plant currently makes cream and string cheeses and employs more than 140 workers. The move is part of Kraft's nationwide effort to consolidate production facilities. The Rupert plant has been in operation since 1935. It started to produce cream cheese in 1967 and added string cheese to its operations in 2004. The Mini-Cassia area's economy is just beginning to rebound from the closure of the J.R. Simplot potato processing plant in Heyburn in 2004 which affected about 500 workers. Because of efforts to diversify the area's economy, workers may have a better chance at finding a new job. Idaho Commerce & Labor's local office in Burley will work with Kraft and the workers in applying for unemployment insurance benefits and finding new job opportunities.
- The good news — Dutchman, a recreational vehicle manufacturer, announced in late April that it would open a manufacturing facility in Burley. Dutchman is one of the largest brands of conventional trailers and fifth-wheel travel trailers in the world. The company is purchasing a plant owned by Max Herbold Inc. The Herbold facility will close at the finish of the fresh-pack season but will continue operations on a downsized basis. Dutchman will renovate the 80,000 square-foot facility and begin manufacturing by the end of the year. The company plans to hire 80 workers with an eye to expanding to 200 within two years. Dutchman is a division of Thor Industries, the largest recreational vehicle manufacturer in the world. Richard Florea, president of Dutchman Manu-

facturing, said that "although there were several places in the western states that fit our geographic needs, we felt that the community of Burley was a great choice for Dutchman. We believe the people here share our work ethic and commitment to quality, and we're looking forward to being a part of the community." It is estimated that the new jobs will bring \$4 million to the community.

- Other new businesses to the Burley area include Gossner Foods, a Les Schwab tire retread plant and Mulholland Positioning Systems, a medical equipment production firm.

Twin Falls County

- Lithia Motors has purchased Latham Motors Chrysler-Jeep-Dodge new car franchise. After more than 30 years in business, the family owned dealership decided it would rather pass as much savings and service as possible onto its long-time friends and customers. Bob Latham Jr., president of the company, said the decision to sell the new car franchise came down to a matter of economics. Latham Motors will still retain its used cars division.

Blaine County

- Despite the wet weather, runway repairs continued on the Friedman Memorial Airport in Hailey. The airport was closed for 17 days for runway safety improvements and maintenance. The airport services Horizon Air-Alaska/NW Connection and SkyWest Airlines-Delta Connection.

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IDAHO 2005 FRINGE BENEFIT SURVEY RESULTS AVAILABLE ONLINE

Idaho employers appear to have scaled back offering basic fringe benefit packages to full-time employees between 2002 and 2005, according to the new Idaho Fringe Benefits Survey.

The 2005 survey, conducted by Idaho Commerce & Labor, found that three-quarters of employers offered some form of medical coverage and paid vacation to their full-time employees and two-thirds provided paid holidays and some kind of retirement plan.

That varied from findings in the 2002 survey, taken as the economic slowdown caused by the national recession began putting the squeeze on most Idaho businesses. In that survey, 92 percent of employers reported providing full-time workers paid vacations, 81 percent medical coverage and 87 percent paid holidays. Retirement plans were offered by about the same percentage of employers in both surveys — nearly two out of three.

The survey assessed the types and frequency of benefits Idaho employers offered their workers. The information gathered from nearly 2,200 randomly selected employers throughout Idaho was analyzed to identify differences in benefit packages based on employer size, public or private ownership, industry, geographic region and rural-urban location. This information can be important to employees and employers alike since benefits can account for a significant portion of overall employee compensation.

The full survey report is available online at <http://cl.idaho.gov/pdf/fringe.pdf>.